

State Of California

Governor Arnold Schwarzenegger



CALIFORNIA AIR RESOURCES BOARD
1001 I Street, P.O. Box 2815
Sacramento, CA 95812



CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, CA 95814

In the Matter of:

Docket No. 08-ALT-1

Implementation of Alternative and
Renewable Fuel and Vehicle Technology
Program

Notice of Joint Workshop on the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program and Air Quality Improvement Program

The California Energy Commission (Energy Commission) and the California Air Resources Board (ARB) will jointly conduct a public workshop to discuss two new programs established under AB 118 (Núñez, Chapter 750, Statutes of 2007): the Alternative and Renewable Fuel and Vehicle Technology Program and the Air Quality Improvement Program. Attending the workshop will be Energy Commission Vice Chair James Boyd and Commissioner Karen Douglas and ARB Executive Officer James Goldstene. Other Commissioners may attend and participate in the workshop. The workshop will be held:

WEDNESDAY, APRIL 2, 2008

Commencing immediately after the Commission's business meeting
but not earlier than 1 p.m.

CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Audio from this workshop will be broadcast over the Internet.
For details on listening in, please go to: www.energy.ca.gov/webcast/index.html.

Note: To participate in this meeting using WebEx onscreen and audio functions, please go to: <https://energy.webex.com/energy/j.php?ED=100097302&UID=0>. If the link does not work, go to <https://energy.webex.com> and enter the meeting number: 928 197 859.

When prompted, enter your information and the password: **ab118*workshop**. Provide your phone number, when prompted, to receive a call back on your phone for the audio of the workshop. Alternatively, you can call 1-866-469-3239 (U.S. and Canada toll free). If you have difficulty, please call WebEx Technical Support at 1-866-229-3239.

For participation in the meeting by phone only, call 1-866-469-3239 (United States and Canada toll free). Note: the workshop's WebEx audio and onscreen activity may be recorded.

Purpose

The joint agency workshop will focus on the Alternative and Renewable Fuel and Vehicle Technology Program (administered by the Energy Commission) and the Air Quality Improvement Program (administered by the ARB). Energy Commission staff will provide an overview on implementing its program, and the ARB staff will share its initial thoughts on the Air Quality Improvement Program as well as initial concepts for the statutorily required guidelines to ensure both programs complement California's existing air quality programs. Both staffs will discuss timelines for developing guidelines, soliciting applications for project funding, and providing opportunities for public input. An agenda for the workshop is attached.

Background

In October 2007, Governor Schwarzenegger signed AB 118, the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007. AB 118 provides about \$200 million annually through 2015 for three new programs to develop and deploy technology and alternative and renewable fuels and fund air quality improvement projects. The bill creates dedicated revenues for the programs with increases to the smog abatement, vehicle registration, and vessel registration fees. This legislation builds on successful incentive-based air quality programs, such as the Carl Moyer Program. The three new programs are:

1. The Alternative and Renewable Fuel and Vehicle Technology Program

(administered by the Energy Commission) authorizes the Energy Commission to award approximately \$120 million annually as grants, revolving loans, loan guarantees, and other appropriate measures to qualified entities. These awards will be used to develop and deploy innovative fuel and vehicle technologies that will help achieve California's petroleum reduction, air quality, and climate change goals, without adopting or advocating any one preferred fuel or technology. Projects eligible for funding must comply with the requirements of Health and Safety Code Section 44271(b), and cannot include projects that are required to be undertaken to meet state or federal law, district rules or regulations.

AB 118 also directs the Energy Commission to create an advisory body (Advisory Committee) to help develop an investment plan. The Advisory Committee will include representatives from fuel and vehicle technology consortia, labor organizations, environmental organizations, community-based justice and public health organizations, recreational boaters, consumer advocates, academic institutions, workforce training groups, and private industry. The Energy Commission plans to have an Advisory Committee meeting in late April. The investment plan will establish priorities and opportunities for the program, and describe how funding will complement existing public and private investments, including existing state programs. The investment plan will be updated annually.

Under this program, the following will be eligible for funding:

- Alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels.
- Demonstration and deployment projects that optimize alternative and renewable fuels for existing and developing engine technologies.
- Projects to produce alternative and renewable low-carbon fuels in California.
- Projects to reduce the overall impact of an alternative and renewable fuel's life-cycle carbon footprint and that can increase sustainability.
- Alternative and renewable fuel infrastructure, fueling stations, and equipment.
- Projects to develop and improve light-, medium-, and heavy-duty vehicle technologies that provide for better fuel efficiency and lower greenhouse gas emissions, alternative fuel use and storage, or emission reductions.
- Programs and projects that accelerate commercializing vehicles and alternative and renewable fuels including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, and supply-chain development.
- Programs and projects to retrofit medium-and heavy-duty on-road and non-road vehicle fleets with technologies that create higher fuel efficiencies, including alternative and renewable fuel vehicles and technologies, idle management technology, and aerodynamic retrofits that decrease fuel consumption.
- Infrastructure projects that promote alternative and renewable fuel infrastructure development connected with existing fleets, public transit, and existing transportation corridors.
- Workforce training programs related to alternative and renewable fuel feedstock production and extraction, renewable fuel production, distribution, transport, and storage, high-performance and low-emission vehicle technology and high tower electronics, automotive computer systems, mass transit fleet conversion, servicing, and maintenance, and other sectors or occupations related to the purpose of the program.
- Block grants administered by not-for-profit technology consortia for multiple projects, education and program promotion within California, and

development of alternative and renewable fuel and vehicle technology centers.

2. **The Air Quality Improvement Program** (administered by the ARB) will provide about \$50 million annually in grants for clean vehicle and equipment projects that reduce criteria and toxic air pollutants and research on the air quality impacts of alternative fuels and advanced technology vehicles. The ARB is directed to evaluate proposed projects based on potential reduction of criteria or toxic air pollutants, cost-effectiveness, contribution to regional air quality improvement, and ability to promote the use of clean alternative fuels and vehicle technologies.

Eight project types eligible for funding are:

- On- and off-road equipment projects.
- Projects to mitigate off-road gasoline exhaust and evaporative emissions.
- Research on the air quality impact of alternative fuels.
- University of California research to increase sustainable biofuels production and improve feedstock.
- Lawn and garden equipment replacement.
- Medium- and heavy-duty vehicle/equipment projects including lower emission school buses, electric or hybrid vehicles/equipment, regional air quality programs in the most impacted parts of California.
- Workforce training related to advanced technology to reduce air pollution.
- Projects to identify and reduce emissions from high-emitting light-duty vehicles.

In addition, AB 118 also directs the ARB to develop guidelines for the Air Quality Improvement Program and Alternative and Renewable Fuel and Vehicle Technology Program to ensure that both programs complement efforts to meet the federal and state ambient air quality standards and to reduce air toxics. The guidelines must also ensure that projects funded under each program maintain or improve upon the emission reductions and air quality benefits in the State Implementation Plan for ozone and California's gasoline and diesel fuel regulations.

3. **The Enhanced Fleet Modernization Program** will provide about \$30 million annually for voluntary retirement of high emitting passenger cars and light- and medium-duty trucks. The Bureau of Automotive Repair will administer the program, but AB 118 directs ARB to adopt guidelines for the program. A separate workshop will be scheduled later this spring on the development of the Enhanced Fleet Modernization Program.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to

participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by email at pao@energy.state.ca.us. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days before the meeting.

If you have questions regarding the workshop or the development of AB 118 guidelines, please contact Mr. Tim Olson, Manager of the Emerging Fuels and Technology Office at the Energy Commission at (916) 654-4528 or e-mail AB118@energy.state.ca.us or Mr. Andrew Panson, Staff Air Pollution Specialist at ARB, at (916) 323-2881 or apanson@arb.ca.gov.

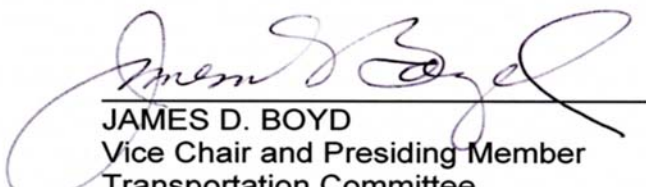
The Energy Commission and the ARB have set up electronic list servers to provide updates on the implementation of the AB 118 incentive programs. If you want to receive notification by email when information relating to AB 118 is posted in the websites, please sign up for their list servers.

The Energy Commission's list server is at:
<http://www.energy.ca.gov/listservers/index.html>

The ARB's list server is at:
<http://www.arb.ca.gov/listserv/aqip.htm>.

For media inquiries about specific programs, please contact the Energy Commission Media Office at (916) 654-4989 or the ARB, Public Information Office at (916) 322-2990.


Date: March 12, 2008



JAMES D. BOYD
Vice Chair and Presiding Member
Transportation Committee
California Energy Commission



JAMES GOLDSTENE
Executive Officer
California Air Resources Board



KAREN DOUGLAS
Commissioner and Associate Member
Transportation Committee
California Energy Commission

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission

TENTATIVE AGENDA
Joint Workshop on the Alternative and Renewable
Fuel and Vehicle Technology Program and
Air Quality Improvement Program

WEDNESDAY, APRIL 2, 2008

Welcoming Remarks:

James Boyd
Vice Chair
California Energy Commission

Karen Douglas
Commissioner
California Energy Commission

James Goldstene
Executive Officer
Air Resources Board

Session 1: Introduction to Alternative and Renewable Fuel and Vehicle Technology Program

Session 2: Introduction to Air Quality Improvement Program

Session 3: Discussion of Air Quality Guidelines for Alternative and Renewable Fuel and Vehicle Technology Program and Air Quality Improvement Program